

NATIONAL RESTAURANT ASSOCIATION



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Food Waste Reduction Alliance

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California State Board of Food and Agriculture
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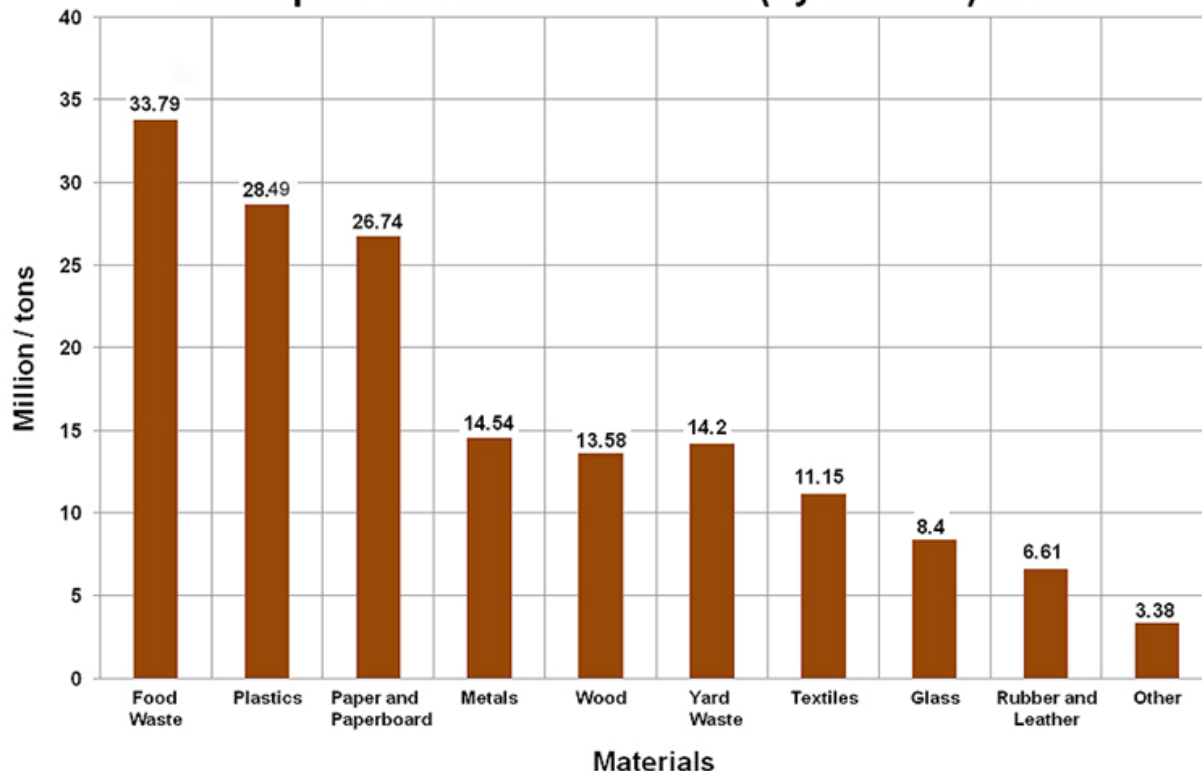


What is Food Waste?

Any solid or liquid food substance, raw or cooked, which is discarded, or intended or required to be discarded

Food Wastes
are the organic residues
generated by the
processing, handling,
storage, sale, preparation,
cooking, and serving
of foods

Municipal Solid Waste Discarded (by material) in 2010



Food Waste Reduction Alliance



3 year initiative and partnership between:

- Grocery Manufacturers Association (GMA)
- Food Marketing Institute (FMI)
- National Restaurant Association (NRA)



Good Food, Good Life



Goals of the FWRA

1. Reduce food waste that goes to landfills
 2. Increase food donation.
- Provide analysis and assessment of food-waste sources, causes, and solutions.
 - Identify and promote best practices and emerging solutions to send less waste to landfills and donate more.
 - Understand policies which help/hinder progress in reducing food waste.
 - Educate and engage with stakeholders.

FWRA Deliverables

1

Assessment

- Sources and causes: Tier I and Tier II data
- Aggregate industry efforts and define differences among sectors

2

Policy Initiatives

- Current state of play, Policy Priorities, Advocacy

3

Emerging Solutions and Best Practices

- Database of solution technologies
- Best practices guide / starter kit
- Big picture and sector-specific insights

4

Communications

- Education of stakeholders and outreach to companies & partners
- Coordination with similar initiatives

Tier 1 Assessment: Food Waste Generation Vs. Disposal

US EPA Food Waste Hierarchy

Food Weight
(US Tons)

N/A

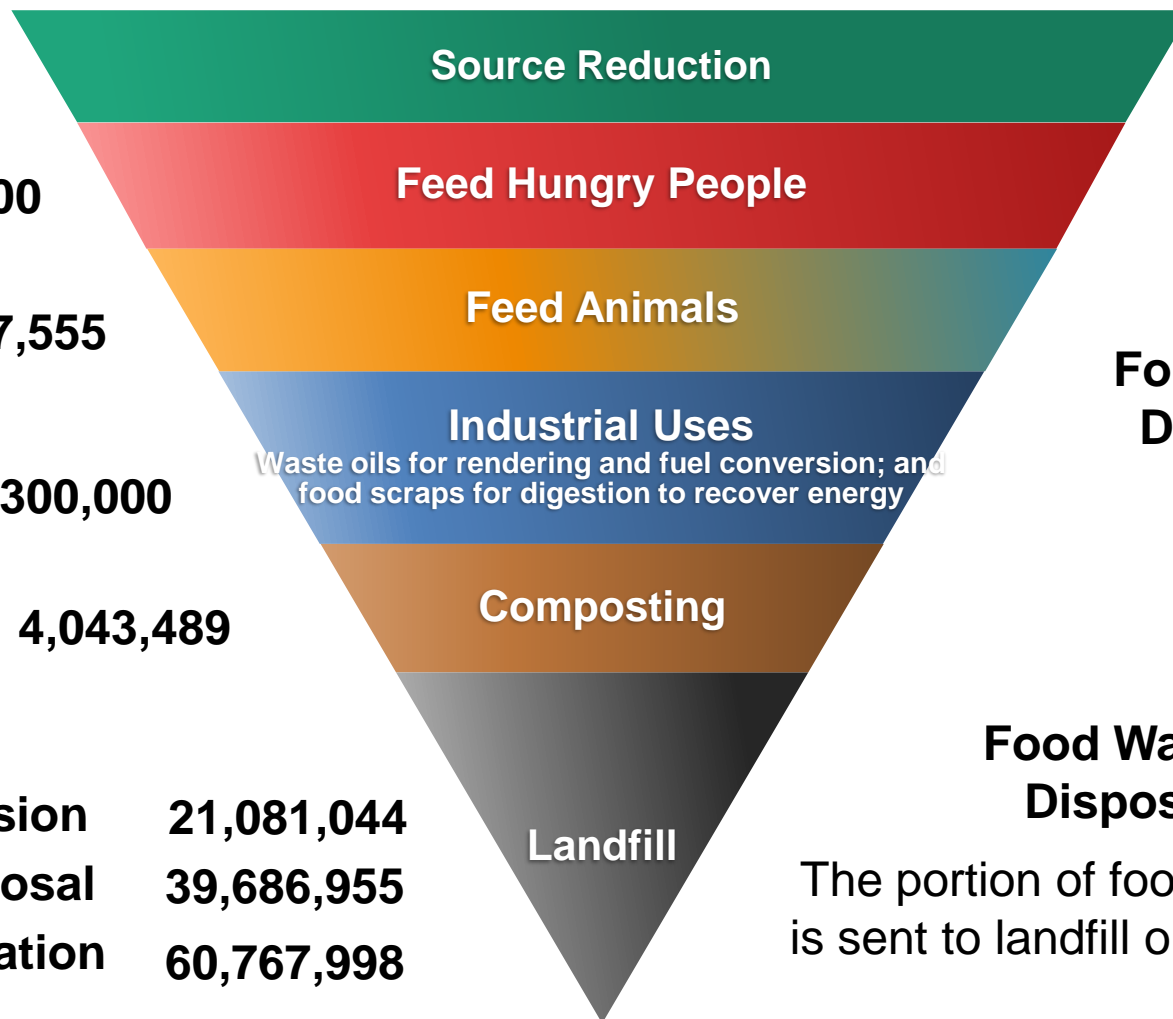
550,000

13,187,555

3,300,000

4,043,489

Total Diversion	21,081,044
Total Disposal	39,686,955
Total Generation	60,767,998

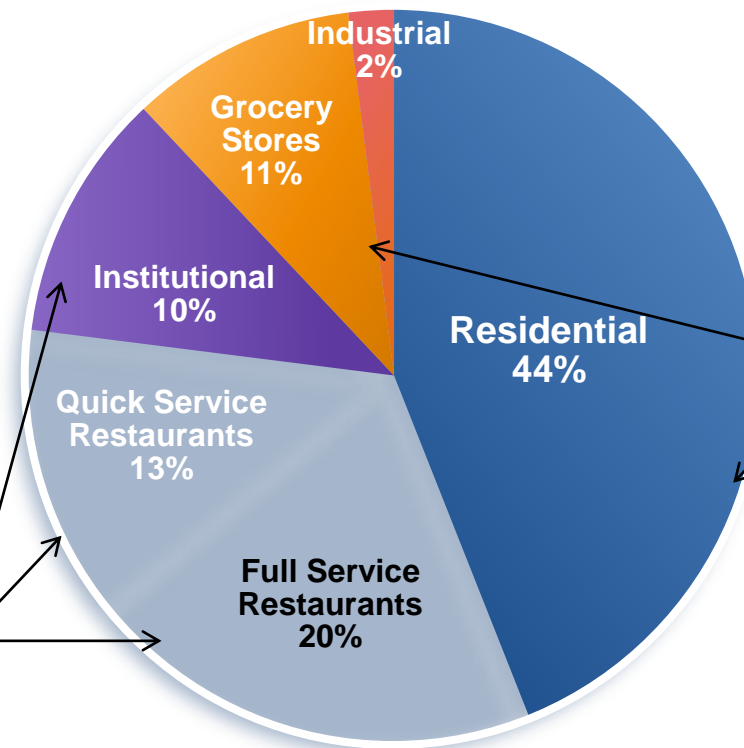


**Food Waste
Diversion**

**Food Waste
Disposal**

The portion of food waste that is sent to landfill or incineration

Tier 1: Total Food Waste Disposed by Sector



Consumer Goods

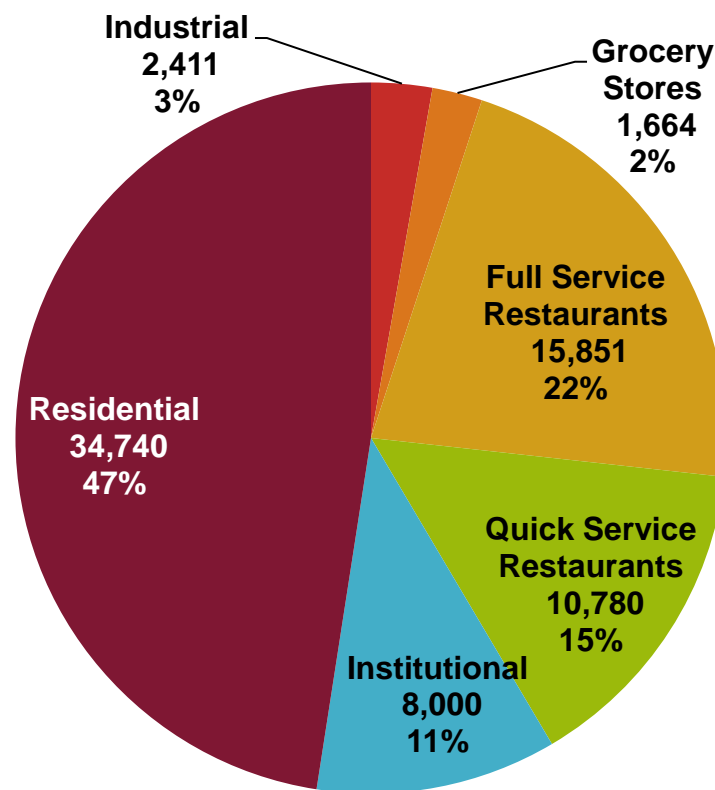
Plate Waste
Damage
Expired/Spoiled
Obsolete



Foodservice

Plate Waste
Over Prep
Expired/Spoiled

Tier 2 food waste disposed by sector with Industrial and Grocery Stores updated



Combined restaurants from
Tier 1 = 26.6 billion pounds

The Tier 1 data is illustrative but limited as a numerous data gaps exist and a number of assumptions and extrapolations have been made in order to derive this estimation.

All of Tier 1 data is based on a combination of secondary data from multiple sources

Tier 2 Survey Results!

Survey goal: To better understand how much food is donated, how much food is diverted for other uses, and how much food waste is disposed of.

Manufacturing Sector

- 13 survey respondents
 - \$122B in annual sales
 - 260,000 employees
- Represent 17% of the industry by revenue¹

Retail & Wholesale Sectors

- 13 survey respondents
 - \$245B in annual sales
 - 980,000 employees
- Represent 30% of the industry by revenue²

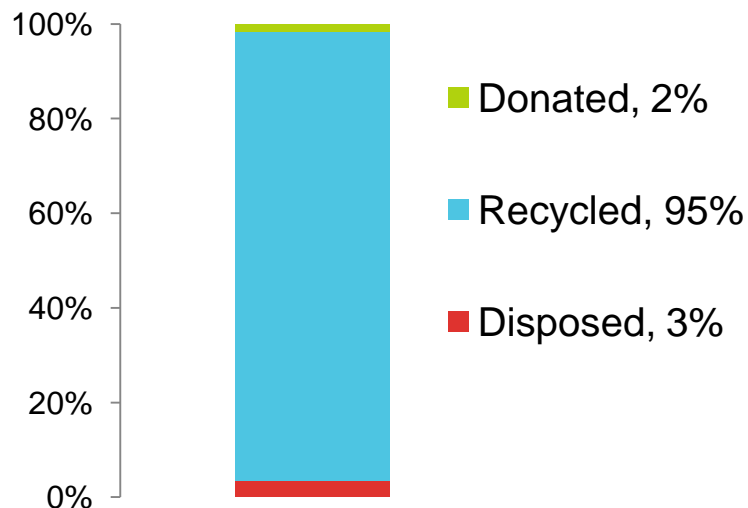
¹ based on 2010 US food & beverage manufacturing revenue of \$739B (source: Census Bureau, Annual Survey of Manufacturers)

² based on 2010 US grocery retail revenue of \$698B (source: Progressive Grocer) and 2009 US grocery wholesale revenue of \$107B (source: IBIS World)

The Destination of Food Waste

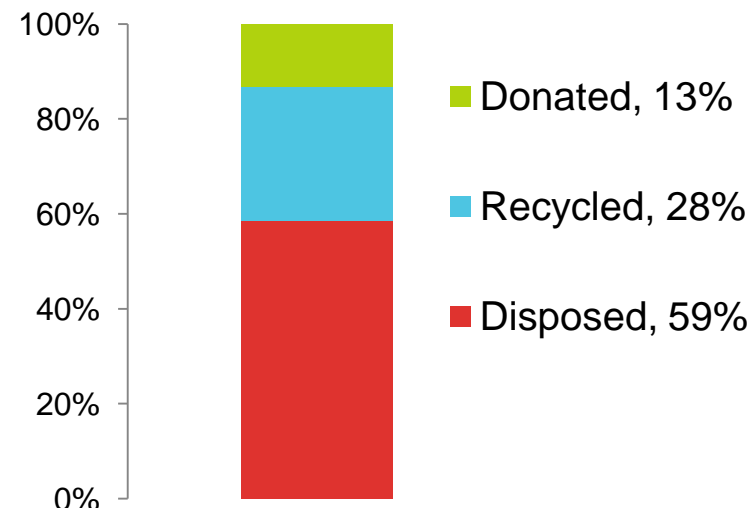
Manufacturing Sector

- Smaller number of locations
- Relatively few products per location
- Large amount of semi-finished products



Retail Sector

- Large number of locations
- Highly diverse product mix
- Greater proportion of packaged food

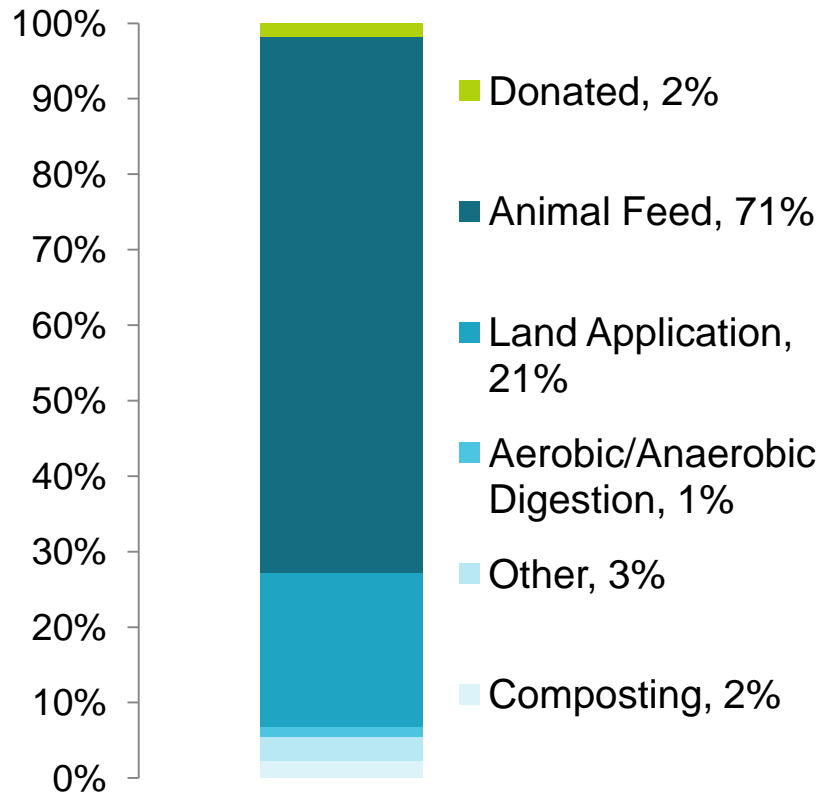


By volume, the total amount of waste sent to landfill by both sectors is in the same range. ¹²

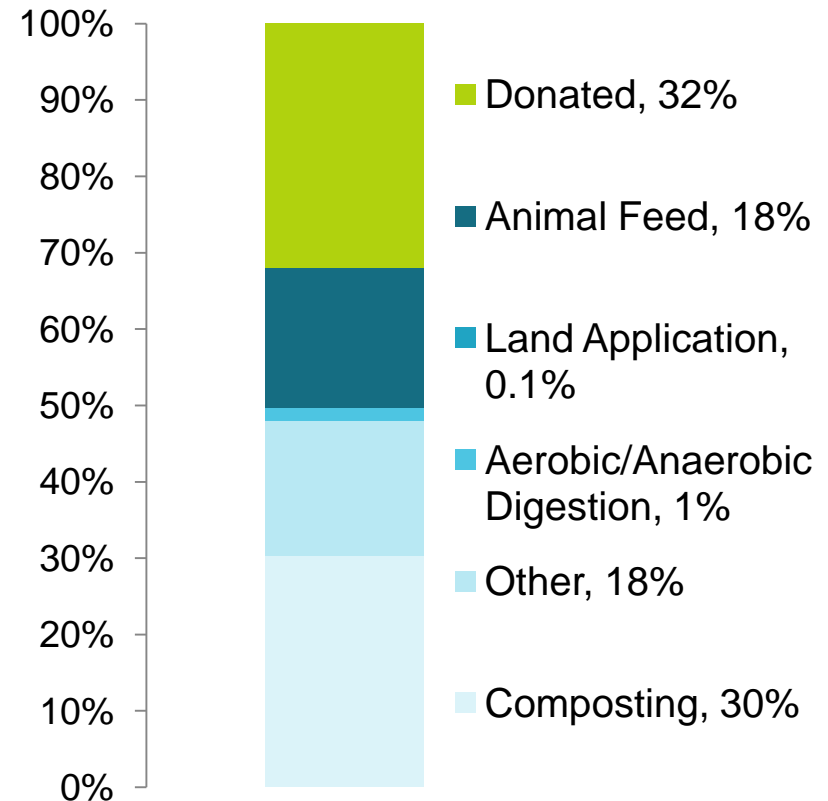
Destination of Food Waste Diverted from Landfill

(As a percentage of total food waste diverted)

Manufacturing Sector



Retail Sector



Barriers to donation of food across sectors

Storage and Transportation: Insufficient space/refrigeration at food banks, lack of refrigerated trucks and drivers, and justifying cost of transportation and/or onsite holding areas.

Liability and Food Safety: Ability to donate mis-formulated and semi-finished products, chain of custody in case of recall, and concerns despite Good Samaritan protection.

Regulatory Policy: Good food past saleable date, limitations on what food banks will accept, inability to donate private label items without customer approval.

Financial: Decisions to limit write-off expenses at fiscal year-end , justification of Fair Market Value for unconventional donations, and tax deduction risks.

Behavioral and Internal Policy: Company policies, Employee education, Internal resistance to change.

Barriers to reuse/recycling of food across sectors

Storage and Transportation: Lack of onsite storage space, lack of nearby recycling options, and limited number and availability of food waste haulers

Liability: Risks from downstream misuse of food waste, concerns over chain of custody of materials, and partner and customer safety policies taking precedence

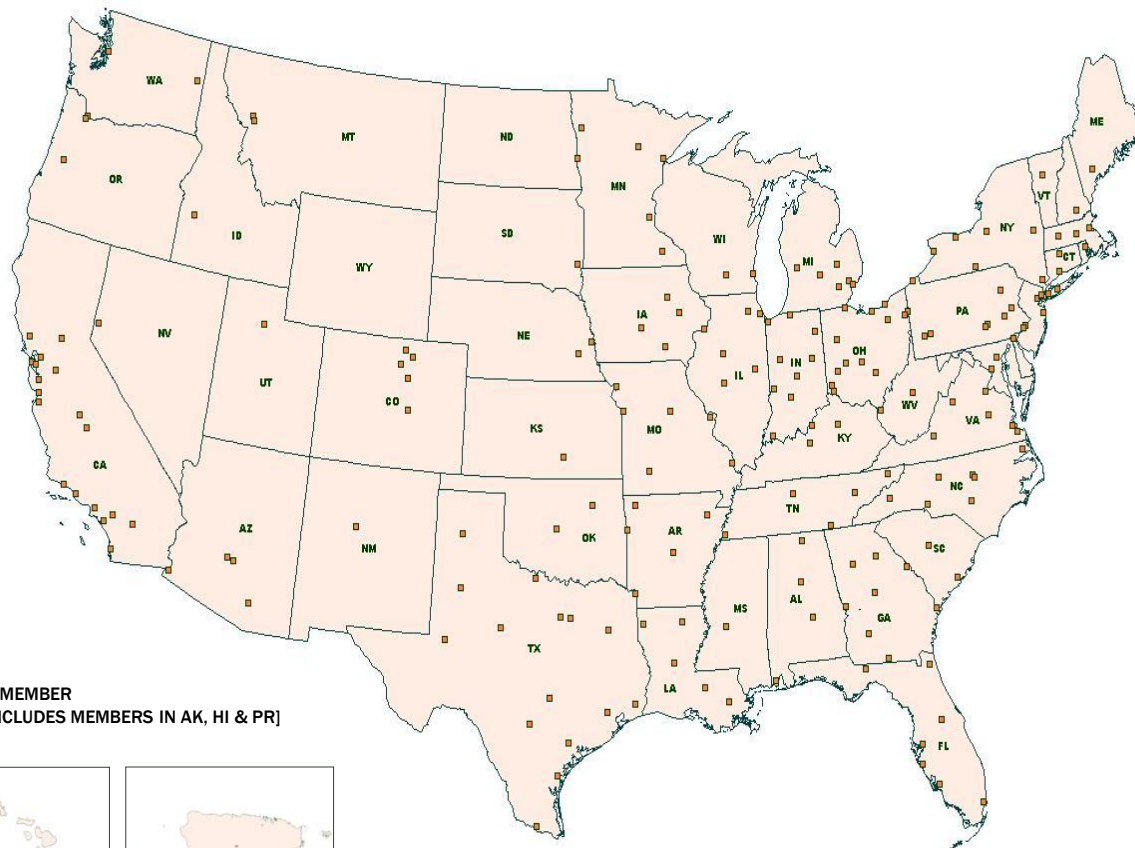
Food Safety: Employee work conditions and their overall health, safety of reworking products for human consumption, and safety of food for animal consumption


Financial: Justifying cost of transportation and/or onsite holding areas, high price of machines to separate food waste from packaging, and tipping fees not significantly offset by the costs of diversion

Behavioral and Internal Policy: Company policies and employee education

Feeding America: 201 food banks

Efficient collection and distribution network



 FEEDING AMERICA MEMBER
[NETWORK ALSO INCLUDES MEMBERS IN AK, HI & PR]



Serving all 50 states,
District of
Columbia
and Puerto
Rico

HOW THE NETWORK WORKS



THE DONORS

Growers
 Processors
 Restaurants
 Manufacturers
 Distributors
 Retailers
 Convenience Stores
 Wholesalers
 Food Industry Associations
 Food Service Operators
 Food Drives
 USDA

FEEDING AMERICA NETWORK

Using the latest technology, the Feeding America network distributes and tracks donated food to more than 200 certified member food banks nationwide.

THE AGENCIES

Food Pantries
 Youth Programs
 Community Kitchens
 Soup Kitchens
 Senior Centers
 Day Care Centers
 Rehabilitation Centers
 Homeless Shelters
 Kids Cafes
 Residential Shelters
 Other Charitable Organizations

37 MILLION HUNGRY AMERICANS

Victims of Disaster
 Children
 Working Poor
 Single-Parent Families
 Newly Unemployed
 Mentally Ill
 Homeless
 Disabled
 Elderly

Tax benefits for taxpayers that donate food

General Rule

- Taxpayers are allowed a deduction for charitable contributions of food inventory to a qualifying I.R.C. § 501(c)(3) organization equal to the lesser of the donor's ATB in the food inventory or the fair market value ("FMV") of such food inventory.

Enhanced Deduction

- C corporations can claim an enhanced charitable contribution deduction for food inventory donated to a qualifying I.R.C. § 501(c)(3) organization for the care of the ill, the needy, or infants.
- Through 2013, the deduction is also available for taxpayers other than C corporations.
- The deduction is equal to the ATB of the food inventory plus one-half of the difference between the ATB and the FMV of the food inventory, but the total deduction may not exceed twice the ATB of the food inventory.

Current Activities and Next Steps

- Publish Tier II Assessment Results – Industry Survey.
- Pilot Projects.
- Establish best practices and toolkits.
- Policy Recommendations and initiatives.

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